

FIRST AMENDMENT TO PURCHASE AGREEMENT

THIS FIRST AMENDMENT is entered into on 11/1/74, 1974 by and between SHELL OIL COMPANY, a Delaware corporation ("Seller"), and the PORT OF SEATTLE, a Washington municipal corporation ("Purchaser").

RECITALS

Seller and Purchaser entered into a Purchase Agreement dated February 1, 1973 ("Purchase Agreement"). In order that Seller and Purchaser may preserve their respective rights and responsibilities set forth in the Purchase Agreement and, at the same time, take necessary measures to fulfill its intended purposes, they hereby execute this First Amendment thereto, but do not, in any respect, waive any rights under the Purchase Agreement.

NOW, THEREFORE, Seller and Purchaser hereby agree to amend the Purchase Agreement as follows:

1. Any and all real or personal property interests held by or granted to Seller pursuant to Waterway Permit No. 93 dated December 5, 1942, or other agreement, applicable to waterway area outlined in orange in Exhibit 1-A, attached hereto and by this reference incorporated, shall be terminated effective as of the time indicated in paragraph 4 below, with proration of rental; and any and all interest held by Seller shall then revert to Purchaser.

2. Any and all real or personal property interests from Purchaser held by or granted to Seller pursuant to Lease L-456 dated September 1, 1948, or other agreement, insofar as the lease or other agreement applies to the Waterway Area adjacent to and between the northern and southern boundaries projected and between the bulkhead line and the pierhead line of Lot 16 and the northwesterly 50 feet of Lot 17, Block 395, Seattle Tide Lands as outlined by hash marks made on a green background on Exhibit 1-A, shall be terminated effective as of the time indicated in paragraph 4 below; and any and all such interests held by Seller shall revert to Purchaser at such time. Rentals shall be prorated to reflect reductions in areas leased by Seller from Purchaser.

3. Seller and Purchaser hereby agree to execute amendments, if necessary, to the appropriate Waterway Permit, lease, or other agreements necessary to accomplish the purposes of paragraphs 1 and 2 herein.

4. As soon as this First Amendment to the Purchase Agreement is signed by both Seller and Purchaser and approved by the Federal Maritime Commission as provided in paragraph 13 of the Purchase Agreement, Purchaser shall undertake its responsibilities as set forth in paragraph 5(a) of the Purchase Agreement. Such construction and installation shall take place before the Purchaser enters that area of Terminal 19 described above in paragraphs 1 and 2 and outlined on Exhibit 1-A. It is understood that facilities at Terminal 19 for the loading and unloading of petroleum to/from vessels shall be maintained in service until like facilities are in service at Terminal 20 for Seller's use.

5. Seller agrees to provide Purchaser necessary easements, entrance and access to, over and under the property and to further cooperate in any manner necessary to accomplish the purposes of the Purchase Agreement and this First Amendment thereto, including but not limited to providing Purchaser with necessary drawings, data and other information required for the objectives of that Agreement and this Amendment.

6. The following subparagraph (d) is added to the Purchase Agreement's paragraph 6:

6. (d) On the closing of Purchaser's acquisition from Seller of the Terminal 19 area, Purchaser and Seller shall simultaneously enter into a Lease by which Purchaser as Lessor leases that area back to Seller as Lessee, and which shall be in mutually satisfactory substance and form, but shall include the following provisions:

(1) The term of the Lease shall be one year beginning on January 1, 1977 and ending on December 31, 1977, and from year to year thereafter, unless and until terminated by either Lessor or Lessee, effective at the end of the first or any succeeding year, by giving the other at least ninety days' prior written notice.

(2) The rent for the first year shall be whichever is the greater of (i) \$261,180.00 or (ii) the product of \$2,611,800.00 multiplied by the sum of the average of the Bond Buyers Index of 20 Bonds for the last quarter of the last preceding year, plus three percentage points; the rent for each succeeding year shall be determined in accordance with the formula in preceding clause (ii); and the yearly rent shall be payable in equal monthly installments, each in advance.

(3) Lessee shall have the right, upon any termination of the Lease, to remove from the leased area any or all of Lessee's fixtures and improvements; but any thereof not so removed within thirty days after the effective date of the termination shall become the property of Lessor.

7. The following is substituted for sub-paragraph (a) of the Purchase Agreement's article 7:

7. (a) The sale and conveyance of the Terminal 19 area described in paragraph 1 shall be closed on December 31, 1976, at the Escrow Department of the Washington Title Division of Pioneer National Title Insurance Company (719 Second Avenue, Seattle, Washington), at which time and place Purchaser shall pay the entire purchase price.

8. Paragraph 10 of the Purchase Agreement is deleted therefrom.

9. Except as expressly amended and supplemented herein, the provisions of the Purchase Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have signed this Purchase Agreement as of the date first stated above.

SHELL OIL COMPANY

By *D. K. Martin*
General Manager Marketing

ATTEST:

[Signature]
Assistant Secretary

PORT OF SEATTLE

By *Jack S. Black*
President

ATTEST:

Henry T. Simonson
ASSISTANT Secretary